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John J. Finnigan, Jr.
Senior Counsel

VIA OVERNIGHT MAIL

February 11, 2005

Joyce Spear
Public Service Commission
Commonwealth of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RECEIVED

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PUBLIC SERVICE
COMMISSION

Re: Case No. 2001-00092

Dear Ms. Spear:


At pages 86-87 of the Commission's Order dated January 31, 2002, in the above-referenced case, ULH&P was required to file quarterly financial statements. The Commission required ULH&P to file quarterly financial statements and to make the filing within 45 days after the close of the reporting period. The Commission also required ULH&P to use the reporting form contained at Appendix H to the Order.

I have enclosed ULH&P's quarterly financial statement for the quarter ended December 31, 2004. Please note that the format for the financial statement varies slightly from the format shown in Appendix H to the Commission's Order. The difference is that the enclosed financial statement includes a line item to reflect interest expense from ULH&P's FERC Form 2 filing. ULH&P has discussed this format change with Commission Staff and it is our understanding that Commission Staff is agreeable with this change.

Please time stamp the additional two copies and return them to me in the enclosed, self-addressed envelope.

Thank you for your consideration.

Very truly yours,


John J. Finnigan, Jr.

Enclosure as stated.

JJF/sew

cc: Mr. Robert Parsons

The Union Light, Heat and Power Company

Quarterly Supplemental Financial Statements

Balance Sheet - Page 1

As of December 31, 2004

(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	300,337,221	254,818,916	10,922,773	566,078,910
Construction Work in Progress	4,499,032	1,571,484		6,070,516
Less Accum. Depreciation	(116,221,251)	(78,370,225)	(6,664,163)	(201,255,639)
Net Utility Plant	<u>188,615,002</u>	<u>178,020,175</u>	<u>4,258,610</u>	<u>370,893,787</u>
Nonutility Property	0	0	13,588,040	13,588,040
Other Investments	0	0	3,068	3,068
Special Funds	0	0	0	0
Total Other Property & Investments	<u>0</u>	<u>0</u>	<u>13,591,108</u>	<u>13,591,108</u>
Cash	2,173,222	1,668,972	352,890	4,195,084
Special Deposits	0	0	0	
Working Funds	1,295	995	210	2,500
Temporary Cash Investments	0	0	0	
Notes Receivable	0	0	0	
Customer Accounts Receivable	818,489	442,237	0	1,260,726
Other Accounts Receivable	49,082	75,778	77,297	202,157
Less Provision for Uncollectibles	(9,162)	(3,431)	0	(12,593)
Notes Receivable from Assoc. Co.	10,710,417	8,225,296	1,739,171	20,674,884
Accounts Receivable from Assoc. Co.	2,938,031	2,256,324	477,081	5,671,436
Fuel Stock	0	697,012	1,294,450	1,991,462
Plant Materials & Operating Supplies	157,777	149,869	0	307,646
Other Materials & Supplies	39,281	37,312	0	76,593
Stores Expense Undistributed	10,935	10,387	0	21,322
Gas Stored Underground - Current	0	6,102,597	0	6,102,597
Prepayments	193,273	91,497	0	284,770
Interest & Dividends Receivable	0	0	0	
Misc. Current & Accrued Assets	601	0	0	601
Total Current & Accrued Assets	<u>17,083,241</u>	<u>19,754,845</u>	<u>3,941,099</u>	<u>40,779,185</u>
Unamortized Debt Expense	538,548	413,589	87,450	1,039,587
Extraordinary Property Losses	0	0	0	
Other Regulatory Assets	27,550,664	14,011,949	0	41,562,613
Preliminary Survey & Investigation	0	0	0	
Clearing Accounts	28,993	20,973	991	50,957
Temporary Facilities	(102,678)	0	0	(102,678)
Miscellaneous Deferred Debits	751,152	551,898	116,694	1,419,744
Unamortized Loss on Reacquired Debt	1,403,633	1,077,950	227,924	2,709,507
Accumulated Deferred Income Taxes	2,012,600	1,545,456	3,447,285	7,005,341
Unrecovered Purchased Gas Costs	0	(318,744)	0	(318,744)
Total Deferred Debits	<u>32,182,912</u>	<u>17,303,071</u>	<u>3,880,344</u>	<u>53,366,327</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>237,881,155</u></u>	<u><u>215,078,091</u></u>	<u><u>25,671,161</u></u>	<u><u>478,630,407</u></u>

The Union Light, Heat and Power Company

Quarterly Supplemental Financial Statements

Balance Sheet - Page 2

As of December 31, 2004

(Unaudited)

	<u>Electric</u> <u>Jurisdictional</u>	<u>Gas</u> <u>Jurisdictional</u>	<u>Non-</u> <u>Jurisdictional</u>	<u>Total</u> <u>Company</u>
<u>Proprietary Capital</u>				
Common Stock Issued	4,548,389	3,493,033	738,573	8,779,995
Premium on Capital Stock	9,759,328	7,494,886	1,584,732	18,838,946
Other Paid-in Capital Stock	2,391,487	1,836,595	388,333	4,616,415
Less Capital Stock Expense	0	0	0	0
Retained Earnings	73,831,439	78,738,879	8,991,983	161,562,301
Accumulated Other Comprehensive Income	(666,103)	(511,548)	(108,163)	(1,285,814)
Total Proprietary Capital	<u>89,864,540</u>	<u>91,051,845</u>	<u>11,595,458</u>	<u>192,511,843</u>
<u>Liabilities</u>				
Bonds	49,213,800	37,794,800	7,991,400	95,000,000
Less Reacquired Bonds	0	0	0	0
Other Long-Term Debt	0	0	0	0
Unamortized Premium on Long-Term Debt	0	0	0	0
Less Unamortized Discount on Long-Term Debt	(342,075)	(262,704)	(55,547)	(660,326)
Less Current Portion of Long-Term Debt	0	0	0	0
Total Long-Term Debt	<u>48,871,725</u>	<u>37,532,096</u>	<u>7,935,853</u>	<u>94,339,674</u>
Obligations Under Capital Leases - Noncurrent	4,714,356	3,620,490	0	8,334,846
Accum. Provision for Injuries & Damages	546,874	2,141,354	0	2,688,228
Accum. Misc. Operating Provisions	3,670,877	2,655,494	125,423	6,451,794
Total Other Noncurrent Liabilities	<u>8,932,107</u>	<u>8,417,338</u>	<u>125,423</u>	<u>17,474,868</u>
Current Portion of Long-Term Debt	0	0	0	0
Notes Payable	0	0	0	0
Accounts Payable	8,303,011	6,376,477	1,348,254	16,027,742
Notes Payable to Assoc. Co.	5,825,746	4,474,007	945,992	11,245,745
Accounts Payable to Assoc. Co.	11,519,318	8,846,509	1,870,522	22,236,349
Customer Deposits	2,166,079	1,456,733	0	3,622,812
Taxes Accrued	76,354	(540,584)	(106,295)	(570,525)
Interest Accrued	709,701	545,030	115,242	1,369,973
Tax Collections Payable	810,910	547,442	182,306	1,540,658
Misc. Current & Accrued Liabilities	918,371	664,345	31,378	1,614,094
Obligations Under Capital Leases - Current	453,710	348,436	0	802,146
Total Current & Accrued Liabilities	<u>30,783,200</u>	<u>22,718,395</u>	<u>4,387,399</u>	<u>57,888,994</u>
Customer Advances for Construction	0	2,721,042	0	2,721,042
Accum. Deferred Investment Tax Credits	1,110,719	1,514,122	947	2,625,788
Other Deferred Credits	6,093,784	5,735,514	0	11,829,298
Other Regulatory Liabilities	21,595,342	12,216,060	0	33,811,402
Accumulated Deferred Income Taxes	30,629,738	33,171,679	1,626,081	65,427,498
Total Deferred Credits	<u>59,429,583</u>	<u>55,358,417</u>	<u>1,627,028</u>	<u>116,415,028</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u><u>237,881,155</u></u>	<u><u>215,078,091</u></u>	<u><u>25,671,161</u></u>	<u><u>478,630,407</u></u>

The Union Light, Heat and Power Company

**Quarterly Supplemental Financial Statements
Income Statement
For the 12 Months Ended December 31, 2004
(Unaudited)**

	<u>Electric Jurisdictional</u>	<u>Gas Jurisdictional</u>	<u>Non- Jurisdictional</u>	<u>Total Company</u>
<u>Revenues</u>				
Residential Sales	90,931,234	78,305,305	0	169,236,539
Commercial Sales	77,997,096	30,891,855	0	108,888,951
Industrial Sales	38,955,177	4,398,285	0	43,353,462
Sales to Public Authorities	16,685,591	5,105,736	0	21,791,327
Public Street & Highway Lighting	1,490,800	1,489	0	1,492,289
Inter-Departmental Sales	90,393	60,044	0	150,437
Forfeited Discounts	0	0	0	0
Misc. Service Revenues	203,077	22,884	639,746	865,707
Revenues from Transportation	0	4,646,400	0	4,646,400
Rents from Property	687,195	34,176	2,449,549	3,170,920
Interdepartmental Rents	0	0	0	0
Other Revenues	171,247	(18,600)	0	152,647
Less Provision for Rate Refunds	0	0	0	0
Total Revenues	<u>227,211,810</u>	<u>123,447,574</u>	<u>3,089,295</u>	<u>353,748,679</u>
<u>Operating Expenses</u>				
Operation Expense	195,996,254	93,499,659	650,091	290,146,004
Maintenance Expense	5,464,493	1,132,244	599,339	7,196,076
Depreciation Expense	8,928,792	7,399,325	1,562,395	17,890,512
Amortization and Depletion	1,328,646	814,896	0	2,143,542
Taxes Other than Income Taxes	1,865,074	1,259,135	419,319	3,543,528
Income Taxes - Federal & Other	(2,849,406)	5,709,891	(581,514)	2,278,971
Provision of Deferred Income Taxes - Net	3,948,420	2,990,860	172,974	7,112,254
Investment Tax Credit Adjustment	(178,744)	(70,309)	(3,910)	(252,963)
Total Operating Expenses	<u>214,503,529</u>	<u>112,735,701</u>	<u>2,818,694</u>	<u>330,057,924</u>
NET OPERATING INCOME	<u>12,708,281</u>	<u>10,711,873</u>	<u>270,601</u>	<u>23,690,755</u>
<u>Other Income & Deductions</u>				
Revenues from Merchandising, Jobbing and Contract Work	0	0	796,470	796,470
Less Expense of Merchandising, Jobbing and Contract Work	0	0	(242,741)	(242,741)
Revenues from Nonutility Operations	0	0	(48,211)	(48,211)
Less Expenses from Nonutility Operations	0	0	(460,532)	(460,532)
Interest & Dividend Income	0	0	1,593,291	1,593,291
AFUDC	(10,286)	(7,900)		(18,186)
Gain on Disposition of Property	0	0		0
Loss on Disposition of Property	0	0		0
Misc. Income Deductions	0	0	(255,241)	(255,241)
Taxes Other than Income Taxes	0	0		0
Income Taxes - Federal & Other	0	0	(1,532,542)	(1,532,542)
Provision for Deferred Income Taxes - Net	0	0	294,445	294,445
Total Other Income & Deductions	<u>(10,286)</u>	<u>(7,900)</u>	<u>144,939</u>	<u>126,753</u>
<u>Interest Charges</u>				
Interest on Long Term Debt	(2,152,216)	(1,652,841)	(349,480)	(4,154,537)
Amortization of Debt Disc. And Expense	(32,089)	(24,644)	(5,211)	(61,944)
Amortization of Loss on Recquired Debt	(93,987)	(72,179)	(15,262)	(181,428)
Interest on Debt to Assoc Co	(138,734)	(106,544)	(22,528)	(267,806)
Other Interest Expense	(290,251)	(222,905)	(47,131)	(560,287)
Less Allowance for Borrowed Fund Used During Construction - Credit	27,805	18,907	0	46,712
Net interest Charges	<u>(2,679,472)</u>	<u>(2,060,206)</u>	<u>(439,612)</u>	<u>(5,179,290)</u>
Extraordinary Items after Taxes	0	0	0	0
NET INCOME	<u>10,018,523</u>	<u>8,643,767</u>	<u>(24,072)</u>	<u>18,638,218</u>